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DEPARTMENT
COPY

SHANGHAI, CHINA

July 30, 1936.

Commissioner of Customs,
Division of Customs Agents,
Washington, D. C.

Sir:

There are enclosed for the information of the Bureau
and other interested Departments copies of a report entitled :
"Japan's Narcotization Policy in North China."

Respectfully,

M. C. Nicholson
Treasury Attaché.

Encl.

MMH:J

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July 27, 1934.

JAPAN'S NARCOTIZATION POLICY IN NORTH CHINA

Since the conclusion of the Tangku Pact and the establishment of the demilitarized zone, the Chinese government has been unable to suppress drug traffic by force and the whole province of Hopei is left for Japanese to carry out their narcotization policy in North China.

The cause of such an extensive drug menace should not be accounted for merely by the profit-making design of traffickers or the great number of addicts. More suppression work would be useless in exterminating such a deeply-rooted evil which has assumed its widespread character from a preconceived plan instead of a common origin.

The total farming population of Hopei is estimated at 27,000,000 of whom over 2,000,000 are believed addicted to drugs. More drugs are sold in Tangshan (唐山), Shichichuang (石家莊), Chinguan (青縣), Ancheng (新城), Fenchow (汾城), Sun (固安) and Yungchiao (永清) than the other districts. During the month of May over seventy drug traffickers were put to death. In Peiping during the four months from January to April over seven hundred cases concerned with highly potent drugs were discovered. These are shown in the table below:

Table 1. Drug cases in Peiping from January to April:

Month of month	No. of cases	No. of addicts	Male	Female
January	117	132	117	15
February	217	135	123	12
March	309	406	426	29
April	245	324	326	48

Drugs formerly sold in North China were mostly imported from Suiyuan and Chahar. The drug originating in Suiyuan is called "chiangtse" (漿子) and that produced in Chahar is called "Feitu" (北土). Recently both of them have been replaced by a drug imported from Dairen which is lower in price and higher in effect. Japanese have established companies at Sinsung (新成), Hsulin (虎林), Tso Hsien (澤縣) and Shihchiashung for the sale of the Dairen drug which is transported to the inland cities by way of the Lunghai and Peiping-Hankow railways. The price varies from \$2.50 to \$3.50 per taels. It is reported that about one million taels are sold every month at a value of over three million dollars. In Tientsin alone, about \$500,000 worth of heroin is exported monthly to the inland cities. Korean drug manufacturers are to be found nearly everywhere in Peiping and are not subject to search by Chinese police except under special conditions. Regardless of restrictions on the exercise of their power, police of Peiping discovered four drug cases in March and five in April.

All kinds of high-power drugs, such as heroin, morphine, golden pills, white pills, caffeine, milk sugar, cocaine, etc., can be found in Peiping. Various kinds seized at different periods are given in the following tables.

Table II. Drugs seized in February, 1936.

<u>Name of drug</u>	<u>Amount</u>
Heroin	77,812 taels
Golden pills	410 "
Other narcotics	12 "

Table III. Drugs seized in October, 1936.

<u>Name of drug</u>	<u>Amount</u>
Morphine	2.25 taels
Caffeine	222.00 "
Other narcotics	10.68 "

Table IV. Drugs seized at other periods.

<u>Name of drug</u>	<u>Amount</u>	<u>Time of seizure</u>
Milk sugar	122.01 taels	June, 1936
Cocaine	120.00 "	October, 1936
Other drugs	16.00 "	August, 1936

During the time when Mr. Yuen Liang (袁良) held office as mayor of Peiping, opium and drug suppression work was strictly carried out. Such drug criminals as Yin Huan-jen (殷煥仲), head of the Public Safety Branch Bureau in Peiping, Maich Hsi-chih (薛義之), known as "king of heroine" and Wang Ts-sen (王大森) a doctor who mixed drugs in analgesic pills, were all executed. When Mr. Yuen was succeeded by Mr. Ching Ts-chun, the suppression of opium and drugs was continued with great force, but hindrances caused by Japanese renins prevented satisfactory results. The number of drug criminals condemned by the Public Safety Bureau during May is given in the following table:

Table V. Sentences served by drug criminals in May.

<u>Sentence</u>	<u>No. of criminals</u>
Summary execution	5
Fifteen years imprisonment	2
Twelve " "	4

Five to eight years imprisonment	9
Over four years imprisonment	11
" three " "	69
" two " "	55

On May 1st the Peiping-Tientsin Inspection Bureau for the suppression of opium was established with Mr. Tai Wei (戴偉) as the head, but the opposition of officers of the 29th Route Army caused the bureau to be abolished and replaced by the Hapei-Chahar General Inspection Bureau with Mr. Ke Chih-han (葛之翰), Commissioner of Finance in the Hapei-Chahar Political Council, in charge. There are five licensed opium firms in Peiping and thirty-eight in Tientsin. Formerly the opium shops were allowed to offer smoking conveniences for the addicts, but the formation of the Hapei-Chahar General Inspection Bureau put an end to this practice. However, this regulation is restricted to only Chinese-operated shops, Japanese or Formosan-owned shops being free to do as they like in a defiance of Chinese laws.

The seriousness of conditions in Peiping may be seen from the following cases which took place in one day.

(1) A person addicted to heroin but too poor to afford smoking implored his wife to pose as his sister and flirt with a stranger. By this means the addict exacted a sum of money from the latter to whom the wife was later married. After the marriage, the wife told the truth to her second husband because of his love for her. A litigation followed as a direct result.

(3) A heroin addict arrested last year and cured in the reformatory was recently freed to soon become re-addicted. As a means to obtain money for smoking, he resorted to stealing and was again arrested.

~~(3) A richman pulled addicted to heroin sold his son and daughter for twenty dollars so that he might have money to satisfy his craving. The grief-stricken mother was unable to face such sorrow and drowned herself.~~

(4) A man found his wife dead in bed because her craving for drugs had not been satisfied.

From an investigation made in a Peiping street, it was found that only five houses out of more than twenty households were completely free from the drug habit. Six lodgers out of twenty in an apartment on the same street were addicted to drugs. Two of the unfortunates were graduates of a private university.